

STATE OF NORTH DAKOTA
OFFICE OF ATTORNEY GENERAL

STATE OF NORTH DAKOTA EX REL.
WAYNE STENEHJEM,
ATTORNEY GENERAL,

Petitioner,

**CEASE AND DESIST ORDER,
NOTICE OF CIVIL PENALTY
AND NOTICE OF RIGHT
TO REQUEST A HEARING**

-VS-

JORDAN PUBLISHING COPORATION,
WILLIAM B STEIGER JR.,
INDIVIDUALLY,
dba THE FORECLOSURE STORE,
dba FORECLOSURE WORLD SCHOOL,
dba FORECLOSURE WORLD,
dba COURT RECORDS,
dba FORECLOSURE GUIDE,
dba FORECLOSURE SCHOOL,
FORECLOSURETOWN.COM,
FORECLOSUREWORLD.COM,
FORECLOSURESTORE.COM,
USA-FORECLOSUREWORLD.NET,
NET-FORECLOSUREWORLD.NET,
LISTS-FORECLOSUREWORLD.NET,
FORECLOSURETRAINING.COM,
FORCLOSUREWORLD.NET,
FORECLOSURELEADS.COM,

Respondents.

CPAT 090106.001

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**To each of the individuals and entities identified below (hereinafter collectively
"Respondents"):**

Jordan Publishing Corporation
22 Elizabeth St
Norwalk, CT 06854-3099

William B. Steiger Jr.
22 Elizabeth St
Norwalk, CT 06854-3099

foreclosuretown.com
22 Elizabeth St
Norwalk, CT 06854-3099

foreclosureworld.com
22 Elizabeth St
Norwalk, CT 06854-3099

foreclosurestore.com
22 Elizabeth St
Norwalk, CT 06854-3099

usa-foreclosureworld.net
22 Elizabeth St
Norwalk, CT 06854-3099

net-foreclosureworld.net
22 Elizabeth St
Norwalk, CT 06854-3099

lists-foreclosureworld.net
22 Elizabeth St
Norwalk, CT 06854-3099

foreclosuretraining.com
22 Elizabeth St
Norwalk, CT 06854-3099

forclosureworld.net
22 Elizabeth St
Norwalk, CT 06854-3099

foreclosureleads.com
22 Elizabeth St
Norwalk, CT 06854-3099

(including all of those entities' officers, directors, owners, agents, servants, employees and representatives as well as all other persons in active concert or participation with them, extending to all "doing business as" names, formal corporate names, fictitious names of any kind or any variations of the same)

BACKGROUND

1. The Attorney General of North Dakota has a reasonable basis to believe Respondents have engaged in and are engaging in acts or practices declared unlawful by N.D.C.C. ch. 51-15, commonly referred to as the Consumer Fraud Law; and N.D.C.C. ch. 51-12, commonly referred to as the False Advertising Law. It is necessary and appropriate in the public interest and for the protection of consumers to restrain the Respondents' unlawful acts or practices.

2. Respondents, individually and by and through their agents, are doing business under some or all of the names identified above and have engaged in violations of North Dakota's Consumer Fraud Law and False Advertisement Law by making false or misleading statements or misrepresentations in advertisement aimed at consumers nationwide, including North Dakota consumers.

3. Respondents are doing business as and operate a website named ForeclosureTown.com. Through this website, Respondents represent that they provide listings of homes that are under foreclosure and subject to foreclosure sale. Respondents purport to offer current foreclosure listings and, by example, represent that they have a listing of 853 homes for sale due to foreclosure in the Bismarck, North Dakota area. Respondents' website further sets forth an itemized listing of the homes with a picture and a description of location, seller, number of bedrooms and baths, and price. The photo in the listing is of a different house than the house that is allegedly being foreclosed. Respondents' use the website foreclosure listings to solicit memberships, at a monthly charge, through a "7-day free trial" under which the consumer's bank or credit card will be automatically charged, if the consumer does not cancel during the 7-day trial period. Respondents also purport to provide training

through their "Foreclosure School" for which they charge their "members" \$297.00, including through alleged unauthorized charges from the consumers' bank or credit card accounts.

4. Respondents have engaged in misleading or deceptive advertising and fraudulent business practices in connection with the advertisement and sale of merchandise as those terms are defined in N.D.C.C. § 51-15-01.

5. Respondents have made untrue, deceptive and misleading representations, and/or have made or engaged in deceptive acts or practices, fraud, false pretenses, false promises or misrepresentations with the intent that others rely thereon.

6. Respondents, by their foregoing conduct, with the intent to sell or induce consumers to enter into an obligation relative to, or to acquire title or interest in, any merchandise or service, made, published, disseminated, circulated and placed before the public advertisements which contained assertions, representations and statements of fact which were untrue, deceptive, or misleading in violation of N.D.C.C. §§ 51-12-01 and -08. Violations of N.D.C.C. §§ 51-12-08 through 51-12-12 are a class B misdemeanor.

7. Respondents have engaged in the foregoing deceptive acts or practices through internet advertisement to North Dakota consumers. Respondents have disseminated advertisements, as that term is defined in N.D.C.C. § 51-15-01, and engaged in efforts to induce North Dakota consumers to enter into an obligation or acquire any title or interest in merchandise. Respondents' actions are in violation of N.D.C.C. § 51-15-02.

8. Each of the Respondents is engaged in a combination of two or more persons who have agreed to act together to inflict a wrong or an injury upon another, or who have agreed to act together to commit a lawful act using unlawful means to inflict a

wrong or injury upon another, namely violation of North Dakota's False Advertising Law at ch. 51-12 and Consumer Fraud Law at ch. 51-15. In so doing, Respondents have committed acts in pursuit of the agreement and the agreement has proximately caused damage to North Dakota consumers.

9. Respondents are liable for their own misconduct and/or for directing others to engage in misconduct. See e.g. *Zimprich v. North Dakota Harvestore Sys., Inc.*, 419 N.W.2d 912, 914 (N.D. 1988); *Rickbeil v. Grafton Deaconess Hosp.*, 23 N.W.2d 247, 257 (N.D. 1946)("The general rule with reference to this feature is considered and set out in the great series of volumes of jurisprudence familiar to the courts. In 52 Am. Jur., 440, this rule is stated, 'It is a conceded general rule that all persons or entities are liable for torts committed by them, or by their agents while acting within the scope of their duties.'").

10. Respondents who are natural persons will additionally be subject to personal liability for corporate misconduct. *Hilzendager v. Skwarok*, 335 N.W.2d 768 (N.D. 1983)(quoting *Schriock v. Schriock*, 128 N.W.2d 852, 866 (N.D. 1964)("... but, when the notion of legal entity is used to defeat public convenience, justify wrong, protect fraud, or defend crime, the law will regard the corporation as an association of persons.' Fletcher, Private Corporations Sec. 41 (1963 rev. vol.)."). The crime/fraud exception to the protections of corporate form has long been recognized in North Dakota, "neither law nor equity will ever recognize the right of a corporate entity to become the receptacle or cover for fraud or wrong based on deception for the purpose of defeating the right of innocent parties." *McFadden v. Jenkins*, 169 N.W. 151, 163 (N.D. 1918). See also *Danks v. Holland*, 246 N.W.2d 86 (N.D. 1976); *Family Center Drug v. North Dakota St. Bd. of Pharm.*, 181 N.W.2d 738, 745 (N.D. 1970).

ORDER

NOW, THEREFORE, IT IS ORDERED pursuant to N.D.C.C. § 51-15-07 that Respondents, individually, and where applicable their officers, directors, owners, agents, servants, employees, contractors, representatives (extending to all "doing business as" names, formal corporate names, aliases, fictitious names of any kind or any variations of the same) as well as all other persons in active concert or participation with them, whether directly or indirectly, immediately **CEASE AND DESIST** from: 1) soliciting or selling to North Dakota consumers real property foreclosure listings; 2) advertising, soliciting, or selling to North Dakota consumers real property listings that contain misrepresentations as to the price, description, location, status, picture, or availability of said properties; 3) advertising, soliciting or selling North Dakota real property listings that contain misrepresentations as to the price, description, location, status, picture, or availability of said properties in North Dakota; and 4) soliciting or selling to North Dakota consumers memberships, training, or other services related to the sale or listing of foreclosure properties. Respondents also shall immediately **CEASE AND DESIST** from issuing any invoices or bills to North Dakota consumers for the sale or listing of foreclosure property listings, memberships, training, or other services related to the sale of foreclosure properties and **CEASE AND DESIST** from taking any payments from North Dakota consumers including, but not limited to, direct debits or withdrawals from North Dakota consumers' bank accounts, cash, checks, or credit card payments for the sale of foreclosure property listings, memberships, training, or other services related to the sale or listing of foreclosure properties.

YOU ARE NOTIFIED that pursuant to N.D.C.C. § 12.1-09-03 a person is guilty of a criminal offense if he or she intentionally "alters, destroys, mutilates, conceals, or removes

a record, document, or thing with intent to impair its verity or availability" in an official proceeding. As such, intentional destruction of any documents related to this matter may result in criminal prosecution.

NOTICE OF CIVIL PENALTIES

YOU ARE FURTHER NOTIFIED that pursuant to N.D.C.C. § 51-15-07 any violation of this Cease and Desist Order is subject to civil penalties not to exceed \$1,000 per violation. Any violation of this Order that also is a violation of N.D.C.C. ch. 51-15 may result in additional civil penalties of not more than \$5,000 per violation. Any violation of this Order that also is a violation of N.D.C.C. ch. 51-12 may result in additional civil penalties of not more than \$5,000 per violation and is a Class B misdemeanor. Such penalties are separate and in addition to any civil penalties, costs, expenses, investigation fees, and attorney's fees pursuant to N.D.C.C. ch. 51-15 or any other applicable statute. Nothing in this Order is intended to limit or waive any rights and remedies available to the State of North Dakota or consumers.

NOTICE OF RIGHT TO REQUEST HEARING

YOU ARE NOTIFIED that pursuant to N.D.C.C. § 51-15-07 you may request a hearing before the Attorney General if such a request is made in writing WITHIN TEN (10) DAYS AFTER THE RECEIPT OF THIS ORDER. Respondents have the right to be represented by legal counsel at the hearing.

Dated this 1st day of May, 2009.

STATE OF NORTH DAKOTA

Wayne Stenehjem
Attorney General

BY:

A handwritten signature in black ink, appearing to read "Parrell D. Grossman". The signature is written in a cursive style with a large initial 'P' and a long horizontal stroke at the end.

Parrell D. Grossman, ID No. 04684
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Director, Consumer Protection and
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Office of Attorney General
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Bismarck, ND 58502-1054
(701) 328-3404

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